



The President's Daily Brief



7 July 1969

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FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

The shelling attacks which stepped up over the weekend, interrupting a lull in enemy activity, decreased again last night. Ground activity has remained light. These shellings may be a probing action before the start of the predicted final offensive--the July campaign.

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SOVIET AFFAIRS

One result of the President's plans to visit Romania has apparently been the cancellation or at least postponement of a projected visit to Bucharest by Soviet leaders. Lower-level officials in Moscow now are saying that Brezhnev and company will not go to Romania this month to sign a new friendship treaty, and a Soviet Embassy counselor in Bucharest hinted that the Romanians might have to travel to Moscow for the signing. Romanian First Deputy Foreign Minister Macovescu, who had hinted earlier that the Soviet visit was still scheduled, said Friday that nothing had been decided.

Further Soviet countermoves to the Presidential trip are probably still under review in Moscow. The Soviet ambassador to Romania failed to return to Bucharest last week as expected, and the lack of direct editorial comment on the trip in the Soviet press will probably continue until a decision on further moves is reached.

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Meanwhile, the Romanian party daily published a long editorial yesterday--clearly with top-level approval--pledging Romania to continue to develop relations with all states regardless of their politics. This would appear to be a defense of Bucharest's invitation to the President, although his name was not specifically mentioned, and is the government's first official reference to state visits since the President announced he was making the trip.

EUROPE

The resignation of Prime Minister Rumor's government Saturday will result in a major realignment of Italian political forces. The Socialist Party (PSI), which only became unified in 1966, split into two separate parties again following the defeat of a conciliation document submitted by party leader Nenni. Nenni, who has headed the PSI since the end of World War II, resigned as party president and the future of Italian socialism is uncertain.

The Christian Democratic party (DC), the other member of the coalition, is also rent with factionalism. At its recent meeting, the party appointed a National Council which is to meet on Wednesday to reach a decision on the future leadership of the party. The incumbent leadership is faced with demands to take on a more pro-labor orientation. This problem will be accentuated by the prospect of increasing labor unrest during contract negotiations scheduled later this year in several vital industries involving one fifth of the labor force.

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Rumor will continue to head a caretaker government until discussions, which President Saragat plans to hold with potential premiers beginning Thursday, are completed. Several DC leaders had previously estimated that a Socialist split would result in a centrist leadership group, excluding extremists on both left and right, which would attempt to establish a minority one-party DC government. Such a government might last until autumn, in the view of the US Embassy, and a likely candidate for Premier would be Forlani, chief lieutenant of Senate president Fanfani. While the Italian Communist Party will attempt to profit from the present confused situation, it is not likely that it will be asked to enter any coalition in the near future despite its increasing independence from Moscow.

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Brandt's visit to Paris Friday was apparently a considerable success. He saw Pompidou for 70 minutes (the first foreign visitor to be received by the new President) as well as Prime Minister Chaban-Delmas and Foreign Minister Schumann. Brandt told journalists that EEC questions were discussed exhaustively, including enlargement, and that they would be useful for his talks with other EEC leaders. He was sure, Brandt said, that in coming weeks the Six would be able to agree on "means of bringing about a pre-arrangement on enlargement" among themselves and then with others.

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There is nothing significant to report on the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

KENYA

The competence and broad appeal of murdered Tom Mboya will be missed more in the long-term than immediately. President Kenyatta's government is able to cope with any violence that may be stirred up by Mboya's followers, and the weak pro-Communist opposition party has only limited prospects of turning the assassination to its own advantage.

As the time for the general parliamentary elections approaches--Kenyatta has promised they will be held before June 1970--Mboya's absence will be more keenly noted. Kenyatta had assigned to Mboya the responsibility for managing the campaign, and the party has no one else approaching his competence in this sphere. In addition, Mboya's successful direction of the Ministry of Economic Development had offered hopeful prospects for mitigating popular discontent. The successor to the post, as yet unnamed, almost certainly will lack Mboya's administrative skills and national rather than tribal concepts.

Mboya was one of the few government figures with nationwide appeal, and had been expected to exert a moderating influence during the inevitable contest for succession when

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the unifying presence of 76-year-old Kenyatta is gone. At age 38, Mboya would have been able to provide a link between the departing and the oncoming generations of political leaders.

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